Rights - Jaron Lanier, Tim Leary, etc? If not have, no go.

Cyberthon Documentation Proposal
November 30, 1990

From: The Doc Squad (Nick West, David Lawrence, Mike Naimark, K.O. Beckman)

To: Point Foundation

The interest in virtual reality is now high, and the timing seems right for a show like the one that could be produced from the footage taken at Cyberthon. In fact, time is of the essence in producing this show, since there are other groups also producing virtual reality documentaries. We also want to have some kind of plan in time for announcement in the next Whole Earth Review, since it will have other Cyberthon-related content. This plan could include not only a videotape documentary, but an interactive videodisc as well -- the content is perfectly suited for such a treatment. We feel that there is a potential here for a very exciting product that we could produce in partnership with you. The first thing to clarify is exactly what goals we each have for the project.

1. Who Wants What from a Cyberthon Documentary?

The Point Foundation would benefit in a number of ways from a well-produced Cyberthon documentary. Perhaps most importantly, it would get a videotape that it could sell directly to Whole Earth readers or others interested in what went on at Cyberthon. It could also benefit from an interactive videodisc and the attendant publicity from releasing it, which would further the reputation for innovation to which the Whole Earth Catalog CD-ROM contributed. Finally, the interest level is high enough in such a documentary that some return over and above operating expenses is possible, in which case Point could benefit financially from the project.

We are eager to work on this project not only because of our professional interest in the subject material, but because of an interest in the interactive opportunities that such material provides. There is also an opportunity to do a radio piece on

Cyberthon. Naturally, we are also interested in the possibility this offers for getting paid.

2. How can the Documentary be Funded?

There are a number of possible ways to fund this documentary tape or disc. The most direct method would be for Point to fund the project directly, either from its own sources or through individual or corporate sponsors that it seeks out. This probably seems a bit far-fetched given the current state of Point's finances. It might not be completely out of the question, though, for Point to consider finding a sponsor that could start the ball rolling with a seed grant of $5,000 or so. It's our understanding that this is how the Hackers documentary was originally funded, with Stewart asking Steve Wozniak to chip in $5,000. This seed money could be critical in getting the project moving past the initial volunteer logging that is occurring now; we'd like you to take it under advisement if possible.

we haven't succeeded in this in the past.

①

In addition, Point might want to consider funding a quick-and-dirty version of the tape if other possibilities fall through, in order to have at least something to sell directly through the magazine. P/L?

②

still doesn't answer how you sell the video.

A second possible funding method is to sell the documentary (or segments of it) for broadcast by either cable stations or public television. This could provide a decent return, depending on the interest evidenced by the stations. Candidates to contact here include the Turner Network, Discovery, NOVA, KQED, and others. The BBC has already indicated interest in purchasing at least part of the footage for a documentary on VR that they are producing themselves. (Note: selling footage piecemeal like this may be a way to provide seed money for producing a documentary of our own.)

haven't contacted?

And generating some publicity

Mystic Fire?

Another possible method of financing is to negotiate a deal with a video distributor. For the subject matter involved, this may be a long shot, since documentary videos are not usually blockbuster titles. Once the show is produced, however, this

may be a way to ensure additional distribution beyond that which can be accomplished through direct sales from the magazine.

(Isn't Voyager also a distributor?)

A final possibility for financing would be to sell the Cyberthon footage to an interactive producer, such as Voyager, Pioneer, or Optical Data. These interactive companies publish videodisc programs on a regular basis, and Cyberthon certainly falls within the interest range of their standard markets. The advantage of this approach is that it opens the door for producing a videotape documentary **and** an interactive program in tandem, from the same funding source. This also seems a more likely funding source given the closeness of the multimedia and virtual reality worlds.

Yep

They have good — stuff, and money, possibly

We have already had contacts with Pioneer and with the Computer Museum in Boston about funding an interactive piece, and Voyager was interested enough in the idea to send one of their producers to Cyberthon. WHO? BOB STEIN.

3. How will the documentary be produced?

We've split the production of the documentary into phases in order to proceed in the most economical way possible.

a. Stage 1 : Initial Organization and Volunteer Logging

The goal of the first stage of production has been to catalog the raw 66 hours of tape which were shot at Cyberthon. This will give us an idea of what kind of documentary we can produce, and will provide a list of available material for other producers that might be interested in the footage.

Our first step was to copy all of the footage to VHS tape, and spread these tapes around to volunteer loggers (including ourselves). We will collect the logging sheets from these volunteers and compile them into a master log. Also, there is some off-format copying to be done on donated Art Institute equipment, and initial contacts to be made to possible producers for the show. All told, the costs for this phase of

the project will be approximately $700 for equipment rentals and tapes (already paid by Whole Earth); and $3000 for our labor (which has been done on spec -- to be paid by whatever producer we find).

Deliverable was: a proposal.

We should point out that we started calculating our "on spec" time only after the completion of Cyberthon -- that is, at the beginning of this initial phase -- and that we are not including our own volunteer time spent logging tapes. Also, it's important to remember that the logs we're currently getting from volunteers will be very useful for constructing a general list of what footage is available to show to potential funders. They may be less useful for the actual editing process, where more precise locations are required.

b. Stage 2: Preparing a Rough Copy of the Tape for Sales Purposes

This stage involves taking the logged tapes ~~and editing them~~ down to a "selects" reel of no more than four hours in length. This reel will contain all the scenes that we think might be useful in the final show. The construction of this "selects" reel is necessary to show to potential producers and convince them of the worth of the piece. This is a critical phase, because without some version of the tape to show to producers in a digestible format, it will be difficult to ask for production money. This phase is also the most difficult to finance, since it entails a lot of labor on our part during a period before a funding producer has been found.

We propose doing most of this editing work on spec, with Point funding a certain fraction so that we can afford to dedicate the time to this project. For instance, we would agree to work the first 20 hours on spec, with Point paying 50% of our hourly rate after that; the remaining 50% of our hourly rate would also be on spec. These percentages and times can be negotiated. But we need to make clear that this is going to be a great deal of work (especially so now that we have seen the logs!), and we need some minimal stipend in order to continue the effort. This stipend would be included in

I don't want to fund this.

It would be easier to justify with more solid interest from a producer/distributor

the budget for the show, so that Point would be reimbursed once funding is found.

An added advantage to Point in committing to minimal funding for this stage is that the end product -- a very-rough-cut version of the show -- is a step closer to what is needed to market a tape directly through the magazine.

c. Stage 3: Actual Production of the Documentary (and interactive)

Our rough estimate is that the production of a quality 1-hour show will cost somewhere around $40,000. Our final budget will be determined after talking to potential producers and assessing their desires. This price could change depending on the production level desired, content of the program (for instance, is it about VR in general or just Cyberthon?) and whether the show is 30 minutes or an hour.

tax
$5 vs $20.
14 NET
$\frac{40,000}{14} = 3,000.$

Additionally, we estimate that the extra cost for producing an interactive project will be approximately $20,000 above the cost of producing the video alone. This cost covers extra post-production for the videodisc and software costs. This figure will vary even more wildly than the previous one, since the interactive software can be extremely complex or very simple.

4. What is the Agreement between Point and the Doc Squad?

As we envision this project, the Doc Squad will be the primary agent for producing both a videotape documentary and an interactive program about Cyberthon. This includes coordinating logging, editing, providing post-production, obtaining or shooting additional footage where necessary, selling footage to interested parties, and arranging distribution (except for direct tape sales by Point, and wherever distribution is handed off to a third producer -- e.g., Pioneer for the disc). Point Foundation will provide the original Cyberthon footage and perhaps some small amount of

startup funding.

We propose that all funding for the project be channelled through Point Foundation, in order to take advantage of non-profit status. For the distribution of these funds, we propose the following first-draft arrangement:

The Doc Squad will be paid (by whatever funding source) at a rate of $30/hr. for their labor. Point and the Doc Squad will then split 50/50 whatever profits are left after operating expenses.

The Doc Squad splits the profits with Point in return for the risk it is taking in:
a) doing sales & legwork to make sure the show is produced;
b) working on spec for the initial portion of project; and
c) charging a less-than-competitive rate.

Both the percentage split of the profit and our labor rates should be negotiated between us. For instance, we would be willing to take a lesser share of the profits if we were paid closer to a competitive rate, which is currently $50 to $60/hr. in the industry.

We will make certain pledges; we won't give up the rights.

For the duration of this agreement, both Point and Doc Squad will retain joint rights to the material, in that they both must agree on its uses. From Point's point of view: you want to ensure that the material is used in ways agreeable to you. From our point of view: we want to make sure that the material is not given or sold to anyone who might undercut the eventual producer of funder of the project that we find.

	RN	KAJ	
MKT ANALYSIS	NO MORE $ WHAT KEEPS THEM GOING THAT'S REALISTIC.	EXPERIENCE MORE BREAKDN ON BUDGET TIME LINE PRICE OF PRODUCTS.	DEMONSTRATE MKT — GET SOMEONE TO PUT UP $ IF S.O. ELSE IS WILLING TO PUT ITS MONEY IN, BASED ON MKT U/S, THEN IT GETS OUR ATTN MORE.

ISN'T THE REAL END OF FUNDING, UNLESS... | OBJECTIVE TO DO INTERACTIVE. | SELLING 1-USE RIGHTS